

1 hops changed, and it was really a variegated kind of
2 experience. We all know that's over with. We all know the
3 Holiday Inns, the Marriotts, and the whole corporate thing
4 has -- they shrunk us, and shrunk our spirit in my opinion.
5 Certainly that has happened in television.

6 I agree with what Jerry said earlier that the hour shows
7 are in wonderful shape creatively, but then I looked down at
8 the top 20 last week. There were four hours of Law and Order,
9 two hours of American Idol, and three hours of CSI Miami,
10 Los Vegas, and Akron, Ohio wherever the hell that is. But the
11 point is diversity isn't the number of channels. That's an
12 electronic trick. Diversity involves viewpoints. In
13 particular does it involve minority viewpoints and unpopular
14 viewpoints. The names I mentioned were people who used to
15 rattle our cage. They used to reach out through the screen,
16 and grab us and say, "Goddamn it, look at the problem."
17 Edward R. Murrow, whose an Ed R. Murrow today? A documentary
18 today is Barbara Walters interviewing a star and that's called
19 news. No, it's not news.

20 I would also offer the thought, I know this is not a news
21 issue, but while there are more hours of news available in
22 terms of when you get home from whatever you're doing, if there
23 happens to be a TV program on that network that night that
24 addresses an issue, why, the news that night will address the
25 same issue and they'll talk to the star, they'll talk to

1 somebody. And the line between news and entertainment is not
2 blurred, it's smeared, and it's not a clean line. And I mean
3 that in a whole number of ways.

4 There was a time around the turn of the century, when the
5 government shook John D. Rockefeller, and as we look back on
6 that it's offered that it's because he controlled the oil. No,
7 it's not because he controlled the oil, it's because he
8 controlled the oil and the railroads. He controlled the
9 product and he controlled the method of distribution. And
10 that's -- that's a chokehold. And there's no way -- I won't
11 say there's no way out of it. I'm trying to find one.

12 We're in a world -- and it's been mentioned before, I
13 won't beat this dead horse -- the logic of networks owning
14 other networks, well, you'd have to upgrade to get it to logic.
15 And I made a note to myself not to pick on Disney and then I
16 thought, "What an oxymoronic phrase is 'picking on Disney.'"

17 So, and the -- in politics and in public life and a whole
18 number of areas, we attempt -- at least we attempt to avoid
19 conflict of interest and we even attempt to avoid the
20 appearance of conflict of interest because we know it affects
21 the voter, the viewer, the investor, whatever. Their faith is
22 important to our wellbeing. Our being the nation's wellbeing
23 in my opinion.

24 There was a program on in about half a year ago. I didn't
25 see it so I'm not commenting about the quality of the program.

1 It could have been wonderful. Live from Baghdad detailed the
2 presentation of CNN in their coverage of the first Gulf War.
3 That program was produced by HBO. HBO and CNN are joined at
4 the hip, corporately. Now again, I'm not impugning for a
5 moment the motives of any of the people involved with it. I
6 have no idea. I do know that in terms of appearance of
7 conflict of interest, we've thrown that baby out without
8 question.

9 Before the trap door under the chair opens up -- years ago
10 a man by the name of E.E. Cummings wrote a poem called a Tongue
11 of Wood. And the poem went like this:

12 There was a man with a tongue of wood, who essayed to
13 sing. And in truth it was lamentable. But there were some who
14 heard this clip-clapper of the tongue of wood and knew what it
15 was the man wished to sing. And with that the singer was
16 content.

17 I hope you've heard what I wish to sing.

18 **MR. WESTEN:** Thank you very much.

19 Our next speaker is Paula Silver, who is president of the
20 creative marketing company Beyond the Box. Her latest picture
21 being Big Fat Greek Wedding, many of you I'm sure have seen.
22 Formally of Columbia Pictures and the Walt Disney Company.
23 Paula.

24 **MS. SILVER:** Well, I don't think I can be as eloquent as
25 my colleague here, Bill.

1 But what I think is really interesting here as, you know,
2 being the person who marketed the movie My Big Fat Greek
3 Wedding, a film that nobody would make because it was about a
4 subject that nobody wanted to see, because who cares about
5 Greek people? You know, they don't get ratings. They can't be
6 tracked.

7 And so when you start looking at consolidation or
8 deregulation, deregulation is now being placed upon us or being
9 presented to the public as if it's something really good.
10 You're going to get something. Well, what you're going to get
11 is more of the same. And it's really frightening that words
12 are being used against the public's information system and
13 nobody's discussing it. It's not being discussed in the way
14 that really is accessible, and access is what's really
15 important. Television, films, it's access; it's storytelling.
16 How are we creating the culture, and what stories are we
17 communicating to other cultures about this society? I mean, if
18 the import -- if the export business of the United States, the
19 biggest one is entertainment, what messages are we sending out?
20 What stories are we telling?

21 You know, I've had the advantage of being inside a big
22 studio, and when I got to Sony it was actually Columbia
23 Pictures that I was hired to be head of and then suddenly it
24 became Sony Pictures Marketing that I was heading up. And I
25 saw how that big mammoth or behemoth of an organization had to

1 be fed in a way that I hadn't really seen from the outside.
2 For years before that I had worked for all of the studios, and
3 I might also add that of the studios I worked for none -- five
4 of them are left. And there were ten at the time, and so we're
5 looking at really, what's really happened to the whole
6 consolidation? There's no big freedom of opportunity for
7 independent, creative producers and talent and directors.

8 Well, I got inside the studio and I suddenly saw that this
9 place was one that if it was a \$35 million budget, they wanted
10 my attention. If it was \$65 million, it was really important
11 because then I was going to spend another \$35 million to market
12 that motion picture and that was going to then feed the
13 integration of that company. It was going to feed everything
14 but television because Sony couldn't own a broadcast network.
15 And so it might have had to have an arrangement with somebody
16 else, but it didn't have it's own access. And you saw how
17 everybody in the company wants to make good films, and they
18 want to make good programming, but the pressure to be in
19 business and to really worry about the bottom line is really
20 upon you. And so you say, "Okay, what do you really have to
21 pay attention to?" Well, that \$65 million movie is supposed to
22 make you back that \$200 million box office. With the
23 deregulation of theaters, you've got to feed the chains and
24 have 2,000 prints. You need to have 5 or 16 in one megaplex,
25 and so you don't really have an opportunity to nurture that

1 small film. If My Big Fat Greek Wedding hadn't been at an
2 independent, it would have never reached box office success at
3 \$250 million with a \$5 million initial investment because
4 nobody would've watched that film. Nobody would've nurtured
5 it. Nobody would've made sure that it would've stayed in
6 theaters when it was being pushed out by the bigger companies
7 that have deals, long-term deals.

8 And so you start asking yourself, "Well, what does this
9 all really mean?" When I was at Disney, I began to see what it
10 meant to be in a real vertically integrated company because we
11 were able to exploit, as it's called, or use the assets of a
12 company so that you thought that Disney's films permeated
13 everyplace. You'd go to the theme park, you'd see the trailers
14 playing in the theme park. You'd go to the Disney resorts,
15 they'd be playing in the Disney resorts. You'd go so far as to
16 actually create a TV show that looked as if it was news; but in
17 fact if you looked really carefully, it was only Disney films
18 that that were being discussed on that channel. It was a
19 little show and then suddenly we had then -- somebody actually
20 caught it eventually, but it was being sent out to the
21 audiences, the film audiences, and the television audiences if
22 it was real news. Every single show that was being discussed
23 on this little half hour was only about Disney films. And so
24 you say, okay, so that idea of owning so much, ABC and Disney
25 really owning so much, meant that suddenly your characters,

1 your stars from Disney films could suddenly be on ABC, Good
2 Morning America. They would suddenly show up on Regis and
3 Kelly -- Cathy, at the time, now Regis and Kelly. And you
4 could go through the entire day and have your stars there.

5 Well, as an independent, you don't have that access.
6 Nobody's telling ABC to take your star. Nobody's taking --
7 telling ABC to take Nia Vardalos, who may be the most brilliant
8 creator of a movie, but she's an unknown. And so trying to get
9 her booked for that publicity tour that everybody else is
10 enjoying is impossible. I mean, they went so far as to say,
11 "Well, listen. If you can promise me Tom Hanks and Rita Wilson
12 and John Corbett, maybe we'll take Nia Vardalos. And it wasn't
13 until the film had become a huge success that suddenly people
14 were looking for Nia as a story.

15 And so it's really frightening to think that these
16 conglomerates can get any more vertically integrated because it
17 really doesn't allow for the independent talent to be seen
18 anywhere.

19 Independent filmmakers, you talk about independent
20 production, there isn't -- they say there are a lot of
21 independent films. There are a lot of independent films and
22 that's because the ability to make film is much cheaper.
23 Everybody has a digital camera. And so if you have a camera,
24 you can make a film. But where does it get distributed? Where
25 do people get to see it? People make documentaries. Where are

1 they being seen? If the important stories, the white papers
2 that used to be on NBC, are not being seen of NBC, and they're
3 being made by independent filmmakers as documentaries, and
4 people look at documentaries as being spinach. And then maybe
5 it's going to be relegated to PBS, of which I was on the
6 advisory board of PBS because I believe in public service and I
7 believe in public engagement and I believe in the public story,
8 and PBS being the champion of children's programming is in
9 suddenly being pushed out of the marketplace by the
10 conglomerate of a Paramount, which now has -- not only does it
11 have Nickelodeon and MTV and VH1 and Nick-teens and
12 Nick-at-Night, it's a complete consolidation so that there's no
13 room for anybody else. All the networks have even gotten rid
14 of their kids' programming because somebody else is doing it,
15 right. And it's not PBS and yet PBS was the champion.

16 And so you say, "Okay, so now where do we take it?" Okay,
17 that's been destroyed; this has been destroyed. Our culture is
18 being destroyed. Children are being targeted now at a younger
19 age because 'tweens have disposable income. So let's market to
20 the 'tweens. Let's give them more and let's make them grow up
21 sooner, make them consumers, not creators because there's a
22 dollar line that you can maximize that way. It makes you
23 really wonder where we're really going, what values, what
24 public stories we're telling, what public service we're telling
25 our kids to be part of. And where are they going to see these

1 stories? Who's going to be doing them?

2 I'm somebody who believes that television is a really
3 powerful medium. It's the most powerful medium because it's
4 social-economically equal. You don't have to spend \$10 to go
5 to a movie theater to see it. But if all the stories are the
6 same and there's no diversity, what are we talking about? The
7 amortization of reprogramming 24 hours a day of the same show
8 so that I can see Friends on NBC and then I can see it on MSNBC
9 and then I can see it on another cable channel, that's not
10 diversity to me. That's the same. It's the same share. And
11 the viewership of cable is not there either.

12 When you go out to buy as a consumer, as a media person, I
13 say, okay, where am I going to spend my money? Well, as an
14 independent consultant for an independent film company, I don't
15 have the same network dollars. We launched My Big Fat Greek
16 Wedding with \$700,000, not \$35 million, and we had to use it
17 and we had to use it and we had to reuse it and we had to
18 really find ways to access public engagement in a way that the
19 television nation -- the television stations aren't allowing us
20 to do.

21 And so I look to see where the future is. You know, I'm
22 the mother of three children, and I want their stories to be
23 told and I want diversity to be told, and I thank Sandra for
24 having me on this panel. As you see there are no -- none of my
25 female peers are here. So where are the voices?

1 And I say that deregulation is a big, big brother opening
2 up your doors and taking control of all of us. I wake up in
3 the morning and I watch the news and I feel -- I go from
4 network to network to network, to station to station to station
5 and all the stories are the same. They're all the same. And I
6 wonder who's reporting our news and who's talking to us.

7 And I think that Commissioner Copps, we're here to support
8 you and however way we can get the voice out and the word out
9 that this is not just about networks, it's about grassroots,
10 it's about people knowing what they need to fight for. And I
11 support you.

12 **MR. WESTEN:** Our next panelist, John Taplin, is also an
13 award winning film and television producer, and currently chair
14 and CEO of Entertainer, the pioneer in on-demand video and
15 entertainment. John.

16 **MR. TAPLIN:** Thanks.

17 Like Jerry Isenberg, I started my career in the golden age
18 of the independent production company, producing films for
19 Marty Scorsese in the 70's. And I think I'm here because I
20 know what media consolidation and vertical integration feel
21 like to a small company.

22 For the last six years, along with a group of talented
23 engineers, I built the first video-on-demand company called
24 Entertainer. We had as shareholders three of the largest media
25 companies in the world, AOL/Time Warner, Sony and Vivendi

1 Universal. Some of these shareholders had board observer seats
2 and all of them had access to our most secret documents,
3 architecture, and business plans. For the first three years of
4 our life they gladly supplied us with thousands of films from
5 our service -- for our service while we slowly built and market
6 tested our software and security systems. But literally on the
7 day we deployed the service nationally, everything changed.
8 They cut off our film supply and almost immediately began to
9 plan their own competing service, Movie Link, hiring away our
10 most crucial software architects and doing everything possible
11 to destroy our company.

12 When I was first starting the company, one executive from
13 a movie company said to me, "You don't think the studios are
14 going to let you create another HBO, do you?" Well, maybe I
15 was naïve, but I said yes. And anybody who wants to know what
16 the effects of vertical integration can have on a small
17 company, I welcome them to look at our lawsuit.

18 So I guess the real question here is: Is there a role for
19 smaller independent media companies in the American system?

20 When I started in this business there were many, many
21 small production companies, and now there are six companies
22 that seem to totally control all the media. Chairman Powell
23 has had a survey done which, Professor, you referred to, which
24 somehow has convinced him that there was tremendous diversity
25 voices in the American media universe despite consolidation.

1 And so he seems determined this June to remove any remaining
2 caps on the media ownership rules that have served us very well
3 for half a century.

4 Well, I've done my own little survey and I'd like to share
5 it with you. It's centered on the radio system because I think
6 that gives us an insight of what TV will look like in a few
7 years.

8 Bill Blinn talked about a time when there was regional
9 diversity and because I work for Bob Dylan in the 60's, I can
10 tell you that there was a time when radio was different in
11 New Orleans than in Baltimore and that isn't anymore. Doesn't
12 exist.

13 But moreover, I have a friend who lives in Eugene, Oregon,
14 which is a nice, average sized, American town; and in that town
15 there are two talk radio stations. One owned by Clear Channel,
16 one owned by Cumulus. Two weeks ago he did a survey of the
17 political bias of those two stations and this is what he found:

18 Between these two stations there are 80 hours per week,
19 more than 4,000 hours per year, programmed for Republican and
20 conservative hosts of political talk radio, and not so much as
21 one second program for Democratic or liberal media.

22 Political opinions expressed on talk radio today are
23 approaching the level of uniformity that would normally be
24 achieved only in a totalitarian society. There's nothing fair,
25 balanced, or democratic about it.

1 So how did we get to this point? I believe it was a very
2 brilliant strategy planned by Newt Gingrich and the Republican
3 right in the early '80s with major allies in the media
4 business.

5 Step one was to get rid of the Fairness Doctrine.
6 Understanding television's power to manufacture consent, the
7 FCC took the view in 1949 that station licensees were public
8 trustees, and as such had an obligation to afford reasonable
9 opportunity for discussion of contrasting points of view on
10 controversial issues of public importance. The policy of the
11 FCC that became known as the Fairness Doctrine was an attempt
12 to assure that all coverage by controversial issues by
13 broadcast stations be balanced and fair.

14 For 30 years that system served our democracy well and as
15 late as 1979 the FCC asserted that fairness was quote, "The
16 sine qua non for renewing broadcast licenses," unquote.

17 The position of the FCC dramatically changed when
18 President Regan appointed Mark Fowler as Chairman in 1981. As
19 FCC Chairman, Fowler, with the Republican majority, made clear
20 his opinion that quote, "The perception of broadcasters as
21 community trustees should be replaced by a view of broadcasters
22 as marketplace participants," unquote. With Gingrich and
23 company pushing hard and the Republican FCC they were able to
24 eliminate the Fairness Doctrine in 1987, and then everything
25 changed.

1 Step two was to remove the media ownership camps.
2 Gingrich had two allies, Clear Channel and News Corp., who had
3 very clear needs at that level. News Corp. had been ordered to
4 sell the New York Post because of media cross-ownership rules
5 and Clear Channel needed to own multiple stations in a single
6 market in order to squeeze the local advertisers.

7 In some markets today Clear Channel owns almost all of the
8 stations and so the advertisers have very little choice of what
9 to buy.

10 Gingrich delivered big time by shepherding through his
11 newly controlled Congress the Telecommunications Act of 1996,
12 which essentially eliminated the public service obligations for
13 local stations.

14 These two actions, killing the Fairness Doctrine and
15 deregulating ownership rules, have led us to a situation that
16 even Barry Diller describes as a media oligopoly. I believe
17 that if the FCC and Congress continue to roll over for the
18 media cartel, our democracy is in peril.

19 Two companies will own 80 percent of the nation's radio
20 stations, five companies will own 80 percent of the nation's
21 television broadcasting, four companies will own 80 percent of
22 the nation's cable systems, and they will all fill these
23 channels with content they own and exclude content they don't
24 own, and as Bruce Springstien says it will be 57 channels and
25 nothing on. The theater of humiliation.

1 Two vastly different ideas of what our future might look
2 like stretch out before us. Down one road lies the founders'
3 original conception of an independent media as a steward to our
4 democracy. Down the other lies a world that can only be
5 described by the word "plutocracy."

6 I believe the FCC has to postpone its June deadline to
7 decide on the ownership-caps issue. It should then began a
8 comprehensive review of four issues:

9 One, would maintaining and even strengthening existing
10 ownership (inaudible) lead to a more democratic and pluralistic
11 media system that would restore the community trusteeship
12 nature of broadcasting licenses?

13 Two, should the commission mandate that cable and
14 satellite networks should also have a public service component
15 in return for the antitrust exemption given to their owners,
16 the major MSO's and media conglomerates?

17 Three, is there any reason not to restore the Fairness
18 Doctrine, in order to ensure that issues of vital public
19 importance are covered in a balanced and fair manner?

20 Four, that the commission ensure that broadband Internet
21 providers be bound by the same common carrier statute --

22 (End of Side A, Tape 2. Beginning of Side B, Tape 2.)

23 **MR. TAPLIN:** The next four weeks is probably the most
24 critical period in the history of the FCC. The media cartel
25 believes the fight is already over and they have the Republican

1 votes to lift the last vestiges of regulation from their
2 shoulders. You should understand that the Fox News motto of
3 fair and balanced is nothing but a very unsubtle attempt to
4 mock the commission's impotence in the face of the power of
5 money.

6 Ninety years ago, as he pushed for antitrust reform,
7 Woodrow Wilson said quote, "The government which was designed
8 for the people has gone into the hands of the corporate bosses,
9 the special interests. An invisible empire has been set up
10 above the forms of democracy," unquote. Let it not be said
11 that this great commission allowed that to happen to the
12 American media next month.

13 Thank you very much.

14 **MR. WESTEN:** Thank you, John.

15 Our next panelist is Darrell Hunt, professor of Race,
16 Media, and Cultural Studies at UCLA; director of UCLA's Center
17 for African American Studies, and he researches representation
18 of African Americans in primetime television. Darrell --
19 Darnell, I'm sorry.

20 **MR. HUNT:** Thank you.

21 Technology. Can you hear me?

22 This may be somewhat of an adventure because I understand
23 that my power is running low on my laptop. Didn't anticipate
24 the delays. We'll see. If not I may have to wing it without
25 the visuals here.

1 Okay, what I'd like to do this morning is to return to a
2 theme that Representative Becerra introduced very early on, and
3 that's the issue of racial and ethnic diversity. We've heard a
4 lot of talk about diversity in terms of the types of stations,
5 media products, and so forth and so on. But one of the things
6 I think that certainly bears further consideration is the
7 people themselves. I mean, who's being represented? Who is
8 doing the representing?

9 In 1999, a newspaper article was released in the
10 Los Angeles Times by Greg Braxton that caused quite a stir. It
11 seemed that in the 1999 fall season on ABC, CBS, NBC, and FOX,
12 26 new situation comedies were going to air, but it was found
13 that not one of them had a minority in a lead role. This, of
14 course, led to the famous NAACP lead coalition of advocacy
15 groups, who among other things, threatened to boycott the
16 networks if they didn't somehow amend this absence.

17 What we found, of course, in the ensuing months was a
18 quick attempt to add minority characters to some of the shows
19 that had been previously slated, and as further research would
20 show a lot of those characters were quite marginal, there to
21 basically appease the industry pressure of the period.

22 Now, the research is clear over the years about the role
23 of diversity in network television. Early studies, of course,
24 like the U.S. Commission on Civil Rights, late 1970's series,
25 Window Dressing on the Set; more recent studies like the

1 African American Television Report that I worked on with the
2 Screen Actors Guild; Primetime in Black and White, a study that
3 was released by the UCLA Center for African American Studies
4 last year; the Hollywood Writers' Report, released by the
5 Writer's Guild of America; and Fall Colors, released by
6 Children Now all point to the same troubling conclusion. And
7 that is, people of color, largely in primetime television, are
8 absent.

9 So let's look for a moment in front of the camera. If we
10 look at primetime television right now, 2003, what we see is
11 that primetime television presents a black and white world.
12 What that means is that White Americans and African Americans,
13 surprisingly to some people, are both over-represented in
14 primetime. Other groups, Latinos, Asian Americans, Native
15 Americans are virtually invisible. You don't find them.

16 I should note that for those who might see the
17 over-representation of African Americans as positive or good
18 news, when you start looking at the actual portrayals, when you
19 look at the roles themselves you find that most of the roles
20 are marginal at best; they're not your major roles; they're not
21 your more central roles. So what you have basically, is an
22 image of America being reflected back to itself, which is one
23 of largely white importance and everyone else is less
24 important.

25 Now, if we look at the minority representation gap, we

1 find it's actually increased over the last 30 years.

2 The first bar here on the graph shows you the gap between
3 the percentage of the American public -- excuse me -- that was
4 minority in 1970 and the actual, I guess, percentage or
5 proportion of minority characters in primetime. There was only
6 about a two-percent gap. Now again, these representations were
7 by no means wonderful representations, but the gap was a lot
8 smaller than it actually is today.

9 Indeed, by 1999 and 2001, we see the gap is about 11 to 10
10 percentage points. Again, most of these roles are your more
11 marginal roles.

12 Let's look behind the camera. If we look at the point
13 guards, for using that analogy, of television shows, if we look
14 at the show runners, we find that people of color again are
15 woefully underrepresented among their ranks. Black show
16 runners, for example, we found last year in our study, were
17 relegated largely to black shows with one exception. And here,
18 if you looked at the shows that were on television only six
19 percent of those shows actually employed blacks as the
20 executive producers. Ninety-four percent of shows didn't.
21 And, of course, the shows that did were your largely black
22 oriented situation comedies, most of which appeared on UPN.
23 Other minorities, Latinos, Asian Americans, again were
24 virtually invisible within the ranks of show runners on
25 television.

1 If we look at minority TV directors, we see a similar
2 pattern. Again, we're looking here at the top 40 shows from
3 2000-2001. We see that only six percent of all TV directors
4 during this period were people of color; 11 percent were women.
5 Indeed you find that white males make up about 31 to 33 percent
6 of the population, but they account for about 80 percent of all
7 TV directors. So again, you have one group that largely
8 controls how we perceive what's being presented on television
9 through, you know, actual creation of the product itself.

10 What about the people who actually come up with the
11 stories? Well, again, minority TV writers are also rare and
12 again they tend to be relegated to minority shows. Again,
13 looking at primetime 2001-2002, we find from the Writers Guild
14 that combined, all people of color, which make up about 31
15 percent of our population, only account for about eight percent
16 of screenwriters. They're underrepresented by a factor of four
17 here.

18 When we look at television, this whole question of
19 diversity, we tend to see a very interesting historical
20 pattern. The first thing we note is that it's largely an
21 insular industry that's largely controlled by white males that
22 tends to, because of the experiences that these people in
23 control have, produce homogenized products.

24 Periodically, we see advocacy groups pressure the industry
25 for more inclusion. Then, of course, the industry acts to

1 appease those critics as for example with the voluntary
2 agreements that were struck between the NAACP-led coalition a
3 few years ago in the industry. Then we enter in a period --
4 into a period where that pressure is typically diminished, and
5 guess what, business as usual practices typically return.

6 So what are the implications as we sit here today and
7 think about this whole question of consolidation, consolidation
8 of ownership? Well, of course, we can't -- I think we're all
9 here today because we're concerned with issues of democracy.
10 And the point I'd like to make is that democracy and diversity
11 go hand in hand. Prohibitions against media consolidation, of
12 course, were intended to protect the circulation of diverse
13 view points to the American public. And that, of course, was
14 considered to be a public good. And it was best represented in
15 the democratic ideal of the free market, which incidentally was
16 imagined to be composed of a multitude of small buyers and
17 sellers.

18 I can tell you, as a sociologist who studies media and who
19 studies the effect of media on society, that television is a
20 key cultural forum in our society. And network television,
21 despite its shrinking audience share, continues to serve in
22 that role, providing us with images of who is in and who is
23 out, what is true and what is false, who we are, who we ought
24 to be, as well as some sense of what the nation is as a whole.

25 And when we bring in the whole issue of diversity, of

1 course, race and ethnicity still matter. They remain important
2 markers of societal experiences. Indeed surveys and other
3 social-scientific evidence tell us that these experiences often
4 produce the very diverse array of perspectives and viewpoints
5 that the founders thought of when this whole issue of public
6 interest was being -- being conceptualized. These
7 perspectives, of course, are key as they confront many of the
8 issues that are before us as a nation.

9 So more consolidation without a mechanism for change, I
10 contend, equals more of the same. Today, a handful of
11 multinational media conglomerates control most of the nation's
12 media. And in the last ten years network ownership of its
13 programs has skyrocketed from about 17 percent to about 77
14 percent today, squeezing out what few small program providers
15 remain. As industry ownership continues to consolidate and as
16 the handful of companies that control the market continue to
17 vertically integrate, it becomes increasingly unclear as to
18 what market or other mechanisms would dissolve the patterns in
19 minority exclusion that we continue to see today.

20 In other words, in terms of racial and ethnic diversity,
21 things are bad in primetime. More consolidation of ownership
22 will only make them worse.

23 Thank you.

24 **MR. WESTEN:** Thank you, Darnell.

25 Our last panelist comes to us courtesy of video

1 conferencing. Martin, are you -- can you hear us all right?

2 Great. Martin Franks is --

3 **MR. FRANKS:** I can hear you fine.

4 **MR. WESTEN:** Martin Franks is Executive Vice President of
5 CBS Television and Senior Vice President of Viacom. And before
6 joining CBS, he was chief of staff to Senator Patrick Leahy and
7 executive director of the Democratic Congressional Campaign
8 Committee. Martin.

9 **MR. FRANKS:** Thank you.

10 I would especially like to thank Commissioner Adelstein,
11 without whom I could not have participated today.

12 The perspective I'm going to share today is shaped by 16
13 years in the broadcast network television business, all with
14 CBS. I am, however, a bit confused. And with apologies to
15 Steven Sondheim, Larry Gelbart, and Zero Mostel, a funny thing
16 happened on the way to this forum.

17 Under pressure from the U.S. Court of Appeals for the D.C.
18 Circuit, the FCC has initiated a number of proceedings looking
19 at its various media ownership rules. And as a result of the
20 very specific guidance the commission has received from the
21 Court, the FCC has asked for fresh empirical evidence to help
22 it shape its deliberations. The FCC initiated its own
23 research, and Viacom is part of a coalition that has submitted
24 several additional wide-ranging and intellectually rigorous
25 research studies. Meanwhile a number of commentators have

1 responded with decades old rhetoric, much of it only very
2 slightly cosmetically updated from arguments that go back 30 or
3 40 years.

4 And so now, on the way to today's forum, some very clever
5 people have found a way to insert into the ownership
6 proceeding, a decades old Trojan horse, the financial interest
7 and syndication rules that the Federal court struck down a
8 decade ago. Rules which one wag once termed a battle between
9 the rich and the very wealthy. I salute the Coalition for
10 Program Diversity for its cunning, but not its intellectual
11 rigor.

12 CBS is making progress in developing secondary revenue
13 streams, but the overwhelming preponderance of the revenue
14 comes from our one principal line of business, selling time
15 made available to advertisers within our programming. We
16 invest enormous amounts in that programming in order to air the
17 very best in news, sports, and entertainment so we will
18 continue to be able to amass the largest possible audience to
19 offer to advertisers.

20 To assert that CBS keeps marginal shows on the air in
21 order to generate enough episodes to make that program viable
22 in the syndication marketplace is ludicrous. Despite
23 disappointing initial ratings, we do keep some marginal shows
24 on the air and move them around the schedule, but only in
25 search of an audience, not a syndication window. And if those